

June 15, 2007

VIA ELECTRONIC COMMENT FILING SYSTEM

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: Value-Added Communications, Inc.
Reply Comments on Petition for Review; CC Docket No. 96-45**

Dear Secretary Dortch:

Pursuant to the Federal Communications Commission's ("Commission's") May 18, 2007 Public Notice, DA 07-2108, Value-Added Communications, Inc. ("VAC"), through its undersigned counsel, respectfully submits these Reply Comments regarding VAC's Petition for Review pending in the above-reference proceeding.

If you have any questions regarding this filing, please feel free to contact the undersigned.

Sincerely,



Kathleen Greenan Ramsey
Wendy M. Creeden

Counsel for Value-Added Communications, Inc.

cc: Antoinette Stevens (FCC)
Greg Guice (FCC)
Best Copy and Printing, Inc.
Kermit Heaton (VAC)

**Before the
Federal Communications Commission
Washington, DC 20554**

| | | |
|----------------------------------|---|---------------------|
| In the Matter of |) | |
| |) | |
| Federal-State Joint Board on |) | CC Docket No. 96-45 |
| Universal Service |) | |
| |) | |
| Value-Added Communications, Inc. |) | |
| |) | |

To: The Commission

REPLY COMMENTS

Pursuant to the Federal Communications Commission's ("Commission's") May 18, 2007 Public Notice, DA 07-2108, Value-Added Communications, Inc. ("VAC"), through its undersigned counsel, respectfully submits these Reply Comments regarding VAC's Petition for Review pending in the above-referenced proceeding ("Petition"). In its Petition, VAC seeks Commission review of the Wireline Competition Bureau ("Bureau") *Order* that refuses to allow a credit for duplicative payments to the federal Universal Service Fund ("USF" or "Fund").¹ The Commission sought comment on VAC's Petition for Review, as well as Eureka Broadband Corporation's Petition for Reconsideration of the same *Order*.

Not surprisingly, no comments were filed in opposition to VAC's Petition. Instead, on the record, there is only support for VAC's Petition. Specifically, Intercall, Inc. ("Intercall") filed comments in support of both VAC's and Eureka's Petitions.² Intercall correctly points out that providing contribution credits to indirect contributors will continue to ensure that the USF is

¹ Federal-State Joint Board on Universal Service, Value-Added Communications, Inc., CC Docket No. 96-45, DA 07-1306, *Order* (rel. Mar. 14, 2007) ("*Order*").

² Comments of Intercall, Inc., CC Docket No. 96-45 (filed June 1, 2007) ("Intercall Comments").

fully funded and is otherwise “an efficient and effective alternative to seeking refunds from underlying carriers.”³

With only support for VAC’s Petition, and no opposition, VAC submits that the record supports a Commission grant of the VAC Petition. As VAC previously described in its Petition, the Bureau’s *Order* is arbitrary and capricious and denies Petitioner its due process rights. Moreover, the basis of the *Order* is flawed in its specific factual findings with regard to VAC and in its failure to address the legal arguments and resolution presented by VAC. Instead, given that double collection is unjust and violates the Act and the Commission’s long-standing policy against double collection of USF contribution, the Commission should require the Universal Service Administrative Company (“USAC”) to implement *simple* administrative procedures, as described in VAC’s Petition, in order to verify contributions and issue a credit for USF payments submitted through another carrier. As set forth in VAC’s Petition, contrary to USAC’s and the Bureau’s beliefs, such procedures are entirely possible, and could be fashioned in such a way that most of the verification burden would be placed on the carriers involved.

Furthermore, as described by Intercall, the implementation of procedures to account for such credits “would not negatively impact USF.”⁴ Rather, the Fund would “receive the same amount in contributions as it would if the indirect contributor initially had made contributions.” “The only difference would be in how USF contributions are made, directly versus indirectly, but not in the amount that must be paid.”⁵ Indeed, it is clear that the Fund would remain fully

³ Intercall Comments at 2.

⁴ *Id.* at 7.

⁵ *Id.*

funded if procedures were established to account for indirect USF payments. With no harm to the Fund, it is imperative that the Commission establish such procedures to avoid unlawful and unjust double USF collection that continues to proliferate under the Bureau's erroneous *Order*.

For the foregoing reasons, and for the reasons set forth in VAC's Petition, the Commission should overturn the Bureau's *Order* by confirming that double recovery is not allowed under the USF program and direct USAC to process VAC's request for a credit for the USF payments already submitted to its underlying carrier under the simple administrative procedures described therein.

Respectfully submitted,



Kathleen Greenan Ramsey

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Dated: June 15, 2007

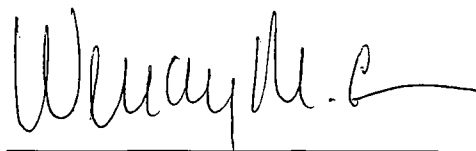
CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of June, 2007, true and accurate copies of the foregoing Reply Comments of Value-Added Communications, Inc. were sent via First Class mail to the following:

Antoinette Stevens
Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Room 5B-521
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Gregory Guice
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A handwritten signature in black ink, appearing to read "Wendy M. Creeden", with a horizontal line extending to the right from the end of the signature.

Wendy M. Creeden